

Rising Health Care Costs

MALCOLM S. M. WATTS, MD, *San Francisco*

EDITOR'S NOTE: *The following is an editorial reprinted in its entirety from the November 1968 issue of CALIFORNIA MEDICINE (the immediate predecessor of THE WESTERN JOURNAL OF MEDICINE). Although there have been much rhetoric and not a few initiatives to control the cost of health care, the "national commitment to make a greater number of more sophisticated and expensive services available to a greater number of better informed and more demanding people" appears not to have changed, and one can suspect it will be difficult, if not impossible, for this to change, even though the "Manhattan Project" approach may now have become obsolete.*

—MSMW

HEALTH CARE COSTS are rising. Quite properly this is being viewed with concern, and sometimes alarm, by government, labor and the public who of course must ultimately pay these costs. Physicians, hospital administrators and others in the health care industry are also and properly disturbed. As might be expected, there is a natural tendency to blame this unpopular state of affairs on someone or something which can be made a scapegoat. There have been allegations and accusations against money-mad physicians, uneconomic hospital practices, inefficient health care delivery systems, unnecessary and excessive union wage increases, and unreasonable demands and expectations on the part of government or the public. A convenient catch-all is inflation, to which almost everyone gives some of the blame. But no one of these scapegoats, nor even all of them together, can account adequately for the rising health care costs. The true cause is far more basic and far less often given its due.

Reprint requests to: Editorial Office, The Western Journal of Medicine, 731 Market St., San Francisco, CA 94103.

It is suggested that the major rise in health care costs can be traced back to a philosophy engendered by the very expensive but very successful Manhattan Project of World War II. This philosophy states that almost anything can be accomplished if one is willing to spend enough money to get it done. World War II promptly terminated when the atomic bomb became available and was used. The money spent on the Manhattan Project achieved its purpose. A scientific and technologic miracle had been accomplished.

The principle was next applied on a large scale in medical research with the expectation that if enough money were spent, scientific and technologic miracles could also be worked in this field—and this time for the betterment of mankind. Vast sums were contributed from both public and private sources, research thrived, and there were many impressive results. Progress in medical science was dramatic and it was also very well dramatized. The prospect of better health for all was clearly on the horizon for everyone to see and the public responded with expectations followed by increasing demands until health and health care are now generally accepted as human rights somehow to be guaranteed by society. But not yet settled is just how this is to be done, what the cost will be, or how it is to be paid for.

As might be expected the principle of the Manhattan Project is once again being applied in the hope that another scientific and technologic miracle can be achieved. Vast sums of money are being pumped into the health care system, again from both public and private sources. The government's focus has been particularly upon the removal of any significant financial barriers to the health care of the aged and the indigent of any age, and to make sure that this care is rendered to all with equal dignity and within the mainstream of good

RISING HEALTH CARE COSTS

medical practice. It may be expected that substantial funding will soon become available for manpower procurement and training, for better deployment of knowledge and skills, for equipment and facilities, and for planning regional and community health services. The non-governmental focus has been to develop better programs, quality standards and utilization control within the private sector. The emphasis has been upon accomplishing all this by strengthening the vital pluralistic system which has characterized health care in this nation and encouraging it to plan and experiment to find better and more efficient answers. This is as it should be.

It would seem then that the basic cause of the enormous rise in the amount of money being spent on health care is simply a national decision to spend more money to bring more sophisticated health services to many more people and to do this on a grand scale on the theory that almost anything can be accomplished if one is willing to

spend enough money to do it. This does not say that such things as inflation, increases in wages, salaries, fees, cost of living and cost of working, supplies, equipment, facilities and operating overhead do not contribute to these rising costs. But it does suggest that allegations and accusations will do little to help, and that while improvements in economic efficiency and productivity must be sought and put to use, these will by no means be sufficient to control the rising costs of health care. As long as there is a national commitment to make a greater number of more sophisticated and expensive services available to a greater number of better informed and more demanding people, and as long as both the public and the private sector are willing to spend more and more to do this, the amount of money spent on health care will inevitably increase, and thus the costs will continue to rise by any measure and in spite of whatever rhetoric is used. It is time this basic fact is recognized and accepted for what it is by all concerned.